

## MEMORANDUM

**DATE:** February 23, 2011  
**TO:** Policy Committee  
**FROM:** Brian Elmore, Jose Ribeiro  
**SUBJECT:** Submittal Requirements- Fiscal Impact Study Guidelines

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### I. Introduction to Memo

The methodology for the ordinance update process includes the development of a fiscal impact study worksheet. Currently, a fiscal impact study is required to be submitted by applicants for residential/mixed use rezoning requests. These studies are often difficult to review, validate, and compare to other studies. To address the problem, staff has created a fiscal impact worksheet (attachment No. 1) which standardizes information and simplifies the review of a fiscal impact study. Staff has also developed an excel spreadsheet designed to perform most of the calculations for applicants. Approximately 400 employee hours have been dedicated to researching, designing, and testing the worksheet. Also, the County's financial manager reviewed and cooperated with the creation of the document. No additional funds have been allocated to the project.

### II. Discussion Items

#### A. **Fiscal Impact Study Worksheet**

##### 1. Description of Element

-The County has no guidelines for fiscal impact studies. As a result, the studies submitted for review do vary considerably in content, readability, data sources, and assumptions.

##### 2. History/Background

-Currently, the County requests fiscal impact studies from rezoning applicants. These studies are often tailored to accentuate development positives while minimizing fiscal negatives; focusing on employment and economic activity generated by the development rather than the marginal effect on the County's bottom line. Other problems identified by staff in the review of previous submitted fiscal impacts are: above market rate selling prices, questionable housing absorption rates, increases in fees remitted to the County without corresponding costs, and data generally being difficult to find or validate.

##### 3. Comprehensive Plan GSAs, public input, and PC and BOS direction

- There was no specific PC or BOS direction provided regarding this topic. However, development of fiscal impact study guidelines is identified and supported by the 2009

Comprehensive Plan. The Economic Development Goals, Strategies, and Actions (GSA) Section offers the following recommendation:

*LU 5.2.1 – Require sufficient documentation to determine the impacts of a proposed development, including but not limited to studies of traffic impact, capacity of public schools, historic and archaeological resources, water quality and quantity, other environmental considerations, and fiscal impact. Develop clear guidelines for the content and methodology to be used to develop the traffic impact (to include upcoming developments on adjacent corridors), fiscal impact (to focus on “as developed” revenues versus costs), and environmental inventory documents.*

4. Solution and Policy Options

- Staff has developed a fiscal impact worksheet that stresses both consistency and simplicity. The worksheet uses County data and assumptions to measure how a given project directly affects the County’s budget. The worksheet’s simplicity allows both applicants and staff to quickly create and review the document. Accompanying the worksheet will be an Excel file calculating numbers except a few variables provided by the applicant.

5. Staff recommendation

- Staff recommends that the fiscal impact study guidelines be included into the submittal requirements for legislative cases in the zoning ordinance. Once approved, this document will be made available to applicants at no cost.

**III. Conclusion**

Staff recommends that the Policy Committee review and provide feedback on the proposed fiscal impact study guidelines. These guidelines would ultimately be adopted by the Board of Supervisors and referenced in the Zoning Ordinance.

**Attachments:**

1. Fiscal Impact Study Guidelines Worksheet